

Comments on MMS Proposed Rule Making RIN 1010-AD 23 Recovery of Costs Related to the Regulation of Oil and Gas Activities on the Outer Continental Shelf.

TOTAL E&P USA, INC. thanks the Department of the Interior Minerals Management Service for the Opportunity to comment on the above referenced proposed rule. While TOTAL sincerely appreciates the necessary contributions made by the MMS and its staff in the timely and efficient development of minerals on the Outer Continental Shelf, it finds itself opposed to RIN 1010-AD 23, which would impose new fees for applicants requesting approvals for Exploration Plans, Development and Production Plans, Deep Water Operating Plans, Applications for Permit to Drill, Application for Permit to Modify, Application to Remove a Platform, Platform Approvals, Conservation Information Documents, and Geological and Geophysical exploration permits.

As the MMS is aware, all mineral operations conducted on federal lands are performed under lease contracts with the United States. In consideration for the leases, successful bidders pay a bonus to the United States and, depending on the status of drilling operations, annual rentals are also generally paid. In addition, leaseholders pay a royalty to the United States based upon hydrocarbons actually produced. Since 1953, more than \$140 billion has been brought into the U.S. Treasury from OCS lease sales alone. (R. Watson – 19 March, 2003 speaking before the Committee on Resources, United States House of Representatives Hearing on Enhancing America's Energy Security.) In fiscal year 2003 the Minerals Management Service collected and disbursed more than \$8 billion. Since the bureau was created in 1983 the MMS has collected and disbursed more than \$135 billion (<http://www.mrm.mms.gov/Intro/faqs.htm#Ques1> Minerals Management Service Website, Minerals Revenue Management – Frequently Asked Questions). TOTAL is therefore disappointed that the “identifiable recipients” of MMS approvals for the above mentioned permits are not considered to have already more than fully paid the cost of MMS review of lease activities. The proposed rules would have lessees pay a fee for review of applications to conduct operations notwithstanding the fact that a fee in the form of a delay rental is payable for *failure* to conduct operations, a bonus will have been for issuance of the lease, and royalty will be payable on production. Thus, any entity considering bidding on a federal mineral lease must consider the cumulative costs of additional fees in its bid price.

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